

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 3 MONTHS TO JUNE 2011

Revenue Budget

The detailed net revenue budget for the 3 months to 30th June 2011 is presented in Appendix 1, with the summary by service area as follows:

	Net Budgets 2011/12	June 11 Profiled Budget	June 11 Actual & Committed	Variance
Conservation of the Natural Environment	751,351	194,565	180,485	14,080
Conservation of the Historic & Cultural Env't	202,754	37,061	36,241	820
Development Management	613,146	145,500	144,234	1,266
Forward Planning & Communities	295,207	73,264	-25,519	98,783
Promoting Understanding & Enjoyment	1,082,989	406,623	384,424	22,199
Recreation & Park Management	329,730	71,184	56,767	14,417
Rangers, Estates & Volunteers	822,032	228,493	212,681	15,812
Democratic Representation & Management	592,007	146,798	139,239	7,559
Service Management & Support Services	1,226,931	313,258	298,918	14,340
Support Services Recharges	-1,154,040			
Net Cost of Services	4,762,109	1,616,746	1,427,470	189,276

As at 30th June 2011 the Authority's net revenue expenditure was £1,428k, £189k under the profiled budget of £1,617k. The main reasons for the variance of actual expenditure against budget are the S.D.F. grants carried forward from 2010/11 and the profiling of the budget against the actual expenditure. Details of each Service area are as follows:

- **Conservation of the Natural Environment (£14k under budget).** The Authority's drive to reduce the operating costs at Cilrhedyn Woodland Centre is meeting with some success. External sales of timber furniture to the public are up £10k against the same period last year and £1k against budget. The post of Head of Conservation remains empty which is yielding a saving of £10k against budget.

- **Conservation of Cultural Heritage (£1k under budget).** Areas within this service are running to budget.
- **Development Management (£2k under budget).** Planning fee income is down £5k against budget but up £4k versus the same period in 2010 (although the number of applications has slightly fallen from 129 in 2010/11 to 123 in 2011/12).
- **Forward Planning & Communities (£99k under budget).** The surplus within this service represents Sustainable Development Fund grants carried over from 2010/11 which were committed but not issued.
- **Promoting & Understanding (£22k under budget).** At Carew Castle and Castell Henllys admissions fees and merchandise sales are slightly ahead of both budget and last year's figures. Income at Tenby T.I.C. is also exceeding budget and last year's whereas at Newport T.I.C. income is marginally below both budget and prior year. Oriel Y Parc merchandise sales are above that budgeted which, coupled with salary savings, results in an under spend of £7k. Within the Communications budget the authority has recently been awarded a contract from C.C.W., and associated grant funding of £41k, to market the All Wales Coast Path project.
- **Recreation & Park Management (£14k under budget).** The Car Park income at £114k is ahead of budget by £12k and up from £88k for the same period in 2010. Other variances in this service area are due to timing differences.
- **Rangers, Estates & Volunteers (£16k under budget).** Once again the variance between budget and actual is due to timing differences which should be corrected during the course of the year.
- **Democratic Representation & Management (£8k under budget).** The variance includes a redundancy payment to the Chief Executive's secretary. Other variances are due to timing differences.
- **Service Management & Support Services (£14k under budget).** The variance arises from a range of support services but should be rectified over the course of the year.

At this early stage in the financial year it is difficult to predict with certainty the end of year outturn. However the revenue position is expected to be impacted by:

- salaries savings arising from budgeted but vacant posts plus additional annual leave purchased by employees, (a reserve was created in 2010/12 to cover redundancy costs),
- reduction in the Authority's insurance premium following a change in insurer,
- reduction in Llanion Park cleaning contract costs,

- additional grant income from C.C.W. for coast path work and from the Planning Improvement grant from the Welsh Government, as a replacement to P.D.W. program grant, that wasn't budget for.

Capital Budget

The 2011/12 Capital Programme is presented below:

Project	Original Budget 2011/12	Funded by PCNPA	Funded by Other Grant	Revised Budget 2011/12	Actual Spend as at 30.06.2011
Historic Towns Grant Scheme	100,000	50,000	50,000	100,000	-
ICT – Equip't	20,000	20,000	-	20,000	6,379
Car Park Improvements: / Green Seas	50,000	50,000	-	50,000	-
Carew Castle Improvement scheme (CADW Convergence Fund)	50,000	50,000	-	50,000	-
Llanion Walls & Windows, / Boiler replacement	20,000	20,000	-	100,000	-
Sageston Development	-	-	-	-	7,431
Oriel Y Parc Toilet Block	-	-	-	3,523	3,523
Total	240,000	190,000	50,000	323,523	17,333

The proposed capital programme has increased from the original budget of £240,000 to £323,523 to reflect additional work on the Llanion building and a retention payment on the Oriel Y Parc toilets. The revised spend of £323,523 will be funded by, Earmarked Reserves £119,000, £50,000 CADW grant, the W.G. capital grant of £116,667 and the balance of £37,856 from Capital Receipts

Details of the 2010/11 programme are:

- Historic Towns – funded 50% by PCNPA and 50% CADW, (funding confirmation received from CADW), and all funds have been fully allocated.
- ICT – represents the usual cycle of IT equipment replacement.
- Car Park Improvement / Green Seas – Under match funding from the Greens Seas programme funds have been allocated to enhance Poppit Sands Car Park.
- Carew Castle Development – This is a Convergence fund scheme of circa £600,000 involving the replacing the portacabins, improving car parking facilities and work on the Lesser Hall roof. The details of this project are still

under discussion with CADW. The total Authority contribution is expected to be £200,000 for which there is an earmarked reserve.

- Llanion Wall & Buildings. Following the energy efficiency study into 'Greening Up' the Authority's building, additional funds have been allocated for work on the Llanion building. This will involve replacing windows at the rear of the building and the installation of a new more efficient central heating / water boiler. The latter is expected to result in significant savings in fuel costs in the region of £10k per annum.

- Sageston Development. This expenditure represents costs in bringing the land to a marketable condition. These development costs are expected to be in the region of £60k - £70k and will be recoverable against the proceeds of the land, circa £2m.

- Oriol Y Parc Toilets – The represents a final retention payment 12 months after the project completion.

The Authority's Useable Reserves:

	Opening Balance 1 April 11	Forecasted Movement 2011/12	Forecasted Closing Balance 31 March 2012	Forecasted Closing Balance 31 March 2013	Forecasted Closing Balance 31 March 2014
General Reserves	483.5	20.8	504.3	531.4	465.1
Capital Receipts	215.1	-37.9	177.3	177.3	177.3
Earmarked Reserves					
Asset Management	37.0		37.0	37.0	37.0
I.C.T.	39.8		39.8	39.8	39.8
Llanion Park	69.2	-69.2			
Planning	120.0		120.0	70	70.0
Self-insurance	30.0		30.0		
Carew Castle Development	200.0		200.0		
Convergence Funding	100.0	-50.0	50.0		
Receipts in Advance	148.6	-148.6			
Poppit Sands Car Park	30.0	-30.0			
Staff Restructuring	70.0		70.0	30	10
Public Sector Broadband	60.0	-60.0			
	904.6	-357.8	546.8	176.8	156.8
Total Useable Reserves	1603.2	314.9	1228.4	885.5	799.2

General Reserves

At the end of the 2010/11 financial year the Authority's General Reserve stood at £484k and with the budget forecast of surplus of £21k this balance would increase to £504k by the end of 2011/12. However further efficiencies and savings other than those budgeted are expected during 2011/12. These surpluses could be used to fund other capital / revenue projects and or add to the General Reserve. Notwithstanding these factors, the impact of a nil increase in the National Park Grant and Levy coupled with inflation will cause further budget pressures in the forthcoming years. Consequently the General Reserve balance is expected to fall back to £465k at the end of 2013/14. As a target the Authority tries to ensure that the General Reserve balance does not fall below 5% of the revenue budget, i.e. approximately £350k.

Capital Receipts

It is planned that £37.9k of Capital Receipt Reserve will be used to fund 2011/12 Capital Programme and this reserve will accordingly reduce to £177k by the end of the year.

Earmarked Reserves

Earmarked Reserves at the beginning of this financial year were £904.6k. While the Earmarked Reserves currently appear relatively high the forecast for the next few years, as detailed above, indicate the reserve will reduce considerably.

Recommendation

I shall be pleased to address any questions members may have. Members are invited to **ENDORSE** the budgetary performance for the 3 months ended 30th June 2011 as presented in this report.

(Further information is available from the Financial Manager Richard Griffiths, on 01646 624815 – email richardg@pembrokeshirecoast.org.uk)

		Revisions To Budgets 2011/12	June 11 Profiled Budget	June 11 Actual & Committed	Variance
	Conservation of the Natural Environment	751,351	194,565	180,485	14,080
CP1	Woodlands Management	179,286	50,306	46,199	4,107
CP2	Cilrhedyn Woodland Centre	112,752	35,726	31,739	3,987
CP3	Coed Cymru & Pren Preseli	22,904	12,976	14,245	-1,269
CP5	Nature Conservation	415,631	95,557	88,302	7,255
CP11	Marine Environment	20,777			
	Conservation of the Historic & Cultural Env't	202,754	37,061	36,241	820
CP6	Conservation Areas & Historic Buildings	100,650	23,860	23,173	687
CP10	CP10 - Archaeology in the Park	102,104	13,201	13,068	133
	Development Management	613,146	145,500	144,234	1,266
CP8	Development Management (incl. Mineral Plan)	613,146	145,500	144,234	1,266
	Forward Planning & Communities	295,207	73,264	-25,519	98,783
CP9	Development Planning	288,720	56,159	56,340	-181
SDEV3	Sustainable Development Delivery	6,487	17,105	-81,859	98,964
	Promoting Understanding & Enjoyment	1,082,989	406,623	384,424	22,199
Q1	Carew Castle	72,336	42,812	40,662	2,150
Q3	Castell Henllys	100,125	55,509	51,517	3,992
Q4	Central Information Services	2,487	33,142	30,689	2,453
Q5	Newport Information Centre	41,662	18,161	18,359	-198
Q7	Oriel Y Parc, St David's	192,246	71,303	64,652	6,651
Q15	St David's Cafe	-10,000	-5,000	-2,789	-2,211
Q13	Tenby National Park Office	71,387	28,600	27,018	1,582
Q8	Coast to Coast	-31,796	7,042	7,491	-449
Q9	Communications	316,754	72,294	65,996	6,298
SUP9	SUP9 - Graphic Services	148,735	36,095	34,985	1,110
Q10	Education	128,724	35,893	35,946	-53
Q12	Activities & Events	45,879	8,593	9,316	-723
Q14	Flexible Programme	4,450	2,179	0	2,179
Q16	Nevern Castle Project			582	-582
	Recreation & Park Management	329,730	71,184	56,767	14,417
CP7	Sustainable Transport	82,159	386	-1,114	1,500
REC10/11/	National Trail	63,755	45,900	44,753	1,147
REC13	Access Officer and Rights of Way	140,452	46,554	49,068	-2,514
REC15	Sites Management	157,362	36,314	35,183	1,131
REC16	Local Community & Match Funds	2,605	651	651	0
REC17	Charging Car Parks	-116,603	-70,687	-83,263	12,576
REC19	Mentro Allan	0	5,393	5,393	0
REC24	Rights of Way Improvement Plan	0	6,413	6,096	317
Rec27	Bluestone Walking Festival	0	260	0	260
	Rangers, Estates & Volunteers	822,032	228,493	212,681	15,812
REC1	Recreation Officer	140,443	36,109	34,603	1,506
REC3	North Area	236,870	59,833	55,110	4,723
REC4	West Area	216,136	61,937	60,743	1,194
REC5	South Area	148,219	40,653	36,859	3,794
REC7	Castlemartin Ranger	9,723	8,740	12,518	-3,778
SUP10	Estates Management (incl. Surplus Properties)	70,640	21,221	12,848	8,373

